

To
Shareholders of
CAA Industries LTD


16.05.18

Dear sirs,

Re: CAA Industries LTD. Priv. Co. 51-4030832 (hereinafter: "The company")

Pursuant to my letter dated 14 May 2018, please note the following:

1. On 14 May 2018 I attended a meeting with a potential investor who I was able to interest in the company, Mr. Samy Katsav owner of SK Group (hereinafter: "the Investor") and a representative of Sky of Blue Ltd., to discuss the possibility of purchasing the company or investing in it.
2. My impressions of the meeting are that the differences between the parties are vast and that it will take a long time to reach understandings that will enable the investment in the company. Moreover, as part of the possibility to invest, the investor asked to conduct a due diligence examination (hereinafter: "the examination") that will take several months.
3. Despite my warnings in my letters dated 26 April 2018 and 6 May 2018, no funds that are vital to the company were transferred, except for the sum of approximately \$0.029M that was paid to the Income Tax Authority.
4. I must emphasize that the amount of time needed for the examination before the company's state can be improved together with the fact that no substantial resources were transferred to the company, make it very hard for me to manage the company properly.
5. I will add that my personal feeling after my conversation on 15 May 2018 with Mr. Moshe Oz, one of the company's shareholders, is that there is no real intent to conduct negotiations in good faith, a step that might save the company's future.
6. At your request, I agreed to delay my resignation (forced) by 14 days in order to continue my efforts for the sake of the company, and to negotiate with the investor. However, under the circumstances, since the investment by the investor is far from being realized, clearly not within 14 days and due to my refusal to infringe the law, I am not able to continue managing the company at its current state.
7. Therefore, I hereby formally inform you of my resignation (forced) as CEO of the company and reserve my right to receive the two salaries I have not yet received and all the rights, social and others that I am entitled to by law.

Sincerely,

Tal Henzoni, CEO